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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001521

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TAGS: [PGOV](#) [KDEM](#) [TW](#) [CH](#) [PREL](#)
SUBJECT: CHAIR TSAI ING-WEN RESTORES DPP CONFIDENCE, GAINS
HIGH SUPPORT

REF: A. TAIPEI 529
[1](#)B. TAIPEI 1170
[1](#)C. TAIPEI 1437

Classified By: Political Section Deputy Chief Dan Biers for reasons 1.4
(b/d)

[1](#)1. (SBU) Summary: Tsai Ing-wen is enjoying her highest level of support since becoming Democratic Progressive Party Chair in May 2008. The crowd at the December 20 DPP rally against President Ma Ying-jeou's cross-Strait policy rousinglly welcomed Tsai to the stage, a marked contrast to the lukewarm responses she had received at protests earlier this year. A major reason for the change was the party's strong showing in a September legislative by-election and the December 5 local elections that boosted party supporters' confidence in Tsai as well as her own self-confidence. This strengthened position could help the moderate Tsai advance a relatively flexible and open-minded China policy within the DPP. Meanwhile, Tsai's rising popularity has increased the likelihood she will run in one of the high-profile special municipality races in late 2010 that often have been used as political springboards for presidential candidates. End summary.

Tsai's Tactics Are Paying Off

[1](#)2. (C) Democratic Progressive Party (DPP) Chair Tsai Ing-wen has come a long way since spring, when the party was still reeling from its mammoth losses in the legislative and presidential elections of 2008. At the time, DPP supporters grumbled about her leadership as the party struggled with funding woes, contentious election nominations, and the corruption trial of former President Chen Shui-bian (see ref A). Since then, according to DPP International Affairs Director Bikhim Hsiao, Tsai's efforts to retire the party's campaign debts through contributions from individuals and small businesses instead of larger corporate donations has been working. PolOffs even noticed donation boxes at the December 20 DPP protest rally. Likewise, Tsai has successfully managed the fallout from Chen's corruption scandal. Although she initially was criticized by party supporters for either not doing enough to defend Chen or not taking a strong enough stand against him, her middle-of-the-road approach to expel Chen but to press for fair judicial treatment appears to have won support from both camps. (Note: Chen was found guilty of corruption in September and remains in detention while he appeals. End note.)

Election Victories Give Her A Boost

[1](#)3. (C) Another key factor behind Tsai's resurgence is the

party's success in recent elections. The DPP victory in a September legislative by-election for a seat previously held by the Kuomintang (see ref B) helped Tsai generate confidence within the party and in herself. The DPP's strong performance in December 5 local elections (see ref C) further solidified her support and stabilized her position as party chair, according to Tai Li-an, director of the independent polling company Global Views Survey Research Center. In contrast to widespread criticism earlier this year that Tsai did not understand the party and was not tough enough as a leader, many of our contacts now acknowledge that Tsai has proven herself capable of running the DPP even though she may lack the depth of political experience enjoyed by senior party leaders.

14. (C) Recent polls confirmed that Tsai's popularity was on the rise. For example, a December 6 poll for the pro-Kuomintang (KMT) United Daily News revealed a 43 percent approval rating for Tsai, up from 24 percent in May. The latest survey conducted by independent pollster Tai indicated public confidence in Tsai was 46.2 percent in November; it almost certainly has risen further since the December 5 elections.

Improving Her Skills Doesn't Hurt Either

15. (C) Tsai also has made inroads reaching out to the DPP masses. Hsiao recalled a timid Tsai -- then Chair of the Mainland Affairs Council -- joining her on the campaign trail during the 2008 legislative elections. Tsai hovered in the

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background, almost uncertain as to what to do, as candidate Hsiao in traditional Taiwan campaign fashion hurried to shake hands with everyone on the street. Tsai has worked a lot of rallies since becoming party chair in May 2008 and now appears to really enjoy campaigning. In the run-up to the December 5 local elections, campaign activities energized Tsai, who at one point told Hsiao she would rather be out campaigning than at the office dealing with Byzantine internal party politics. In contrast to rallies earlier this year where she received only lukewarm responses, Tsai took to the stage at the December 20 protest amid rousing applause. Her fiery speech trashing President Ma's cross-Strait policy appeared to resonate with supporters even after they had marched for hours in cold weather to attend the rally.

16. (C) A marked improvement in her Taiwanese language skills has bolstered Tsai's abilities to work the crowd. Her limited Taiwanese had been a point of criticism within the party because the dialect long has been the DPP's lingua franca. Previously, Tsai would often begin her speech in Taiwanese but quickly lapse into Mandarin Chinese, her native tongue. Contacts regularly wondered aloud to PolOff how the DPP could have a leader who could barely speak the language of the masses. Tsai heard the criticism and worked to improve her Taiwanese, and her progress was on display at the December 20 protest when she addressed the crowd mainly in Taiwanese. Her preference to speak Mandarin still remains useful, however, as Tsai and others note that a large proportion of Taiwan youth does not understand much Taiwanese.

Moderate Leader Eyeing Flexible China Approach

17. (C) As Tsai adjusts to fit the party, she also is helping to reshape it in ways that could broaden its appeal. In her previous positions as vice premier and Mainland Affairs Council (MAC) Chair, Tsai put forward solid performances and dealt with legislators regularly. Her professionalism and international experience -- she speaks fluent English -- remain apparent as DPP Chair. She appears comfortable meeting foreign dignitaries and views relationship with Japan and the

United States as particularly important to Taiwan. (Note: Tsai traveled to the United States once this year and to Japan twice. End note.) As MAC Chair, Tsai helped to promote a pragmatic cross-Straits policy and participated in talks with China to improve economic ties. At her recent policy briefing, Tsai said she intended to build a strong DPP support base in order to put forward a more flexible approach toward China. She has routinely maintained that the DPP does not object to closer economic ties with China so long as agreements are made in a transparent manner and did not harm Taiwan's interests.

But Elders Remain a Hurdle

18. (C) As Tsai tries to move the DPP forward, she must continue to battle party elders who maintain strong clout within the party. Despite being technically retired, former Vice President Annette Lu and former premiers and DPP chairmen Su Tseng-chang, You Shyi-kun, and Frank Hsieh were active in the recent anti-Ma rally and in local election campaigns. Hsiao and other party contacts maintained the elders were interested in running for DPP chair next May, when Tsai's two-year term ends, or had in mind proxy candidates who would support their personal interests. As a result, they remain a threat to Tsai's effort to develop consensus within the party and maintain a balance between factions.

19. (C) Still, DPP Social Movements Deputy Director Lee Cheng-i told PolOff that Tsai could win a second term as party chair if she wanted. Hsiao pointed out that Tsai would be each of the four elders' second choice for chair if they or their proxies were not successful. Tsai, however, noted at her policy briefing that she had not made a decision on whether to run, claiming that it was the party's decision -- not her's -- to make. At the same time, several contacts have identified Tsai as a potential DPP candidate for Taipei City mayor or, perhaps, the mayor of newly created New Taipei City (Note: New Taipei City is the new name for Taipei County. End note). Tsai has not ruled out the idea of running for office in the December 2010 special municipality elections.

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Comment: Next Year and Beyond

110. (C) Tsai has a strong background as an academic and an appointed government official, and winning elective office next year would help further solidify her support within the DPP by enhancing her credibility. For now, Tsai is more than holding her own against the four party heavyweights and is carving herself a promising path on the leadership trail. Should she run for mayor next year in Taipei and win, she would almost assuredly be considered a possible DPP candidate for president in 2012, when the currently embattled President Ma is up for reelection.

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